

Memorandum

Date : January 18, 2002

Telephone: (916) 651-8836

To : Arthur H. Rosenfeld, Commissioner and Committee Presiding Member
Michal C. Moore, Commissioner and Committee Associate Member

From : California Energy Commission - Kristy Chew
1516 Ninth Street Project Manager
Sacramento, CA 95814-5512

Subject : COLUSA POWER PLANT PROJECT (01-AFC-10) STATUS REPORT NO. 1

Although not ordered by the Committee, staff has prepared the following status report to inform the Committee of the progress of the case.

ISSUES

AIR QUALITY

The Colusa County Air Pollution Control District (CCAPCD) issued a Preliminary Determination of Compliance (PDOC) for the proposed power plant on October 5, 2001. However, the PDOC did not identify any secured air emission offsets for the project's impacts.

The CCAPCD has told Energy Commission staff that their Final Determination of Compliance (FDOC) will not be issued until all air emission offsets are secured. To date the applicant has disclosed where they intend to obtain the emission offsets; however, the majority of them are not anticipated to be secured (under contract) until the end of January 2002. A delay in securing offsets would delay the issuance of the FDOC. Without secure offsets, staff may not be able to conclude that this project would result in a less than significant impact to air quality and would prevent staff from preparing a conclusive and meaningful Final Staff Assessment (FSA).

BIOLOGICAL RESOURCES

The project will impact both federal and state listed special-status species and their habitats. Therefore, formal Section 7 Consultation must be initiated between the U.S. Environmental Protection Agency (USEPA) and the U.S. Fish & Wildlife Service (USFWS). Formal consultation has not yet been initiated by the USEPA. Typically, USFWS requires 135 days from the day formal consultation / initiation begins to complete their review and produce a Biological

Opinion. This delay in initiation could delay the Energy Commission's receipt of the USFWS' Biological Opinion.

TRANSMISSION SYSTEM ENGINEERING

On December 21, 2001, the applicant submitted a letter regarding their newly selected preferred transmission system mitigation alternative; which includes the elimination of duct burning (which will reduce power output) during Spring normal conditions or N-1 conditions. Staff will be submitting formal data requests to the applicant requesting a signed letter between the California Independent System Operator, PG&E, and the applicant formalizing agreement between the parties of this selected mitigation alternative, and for additional information regarding Spring Off-Peak conditions. Without this information, staff may not be able to conclude a less than significant impact on the transmission system and produce a meaningful FSA.

AGENCY COORDINATION

The Colusa County Planning and Building Department has stated in a letter dated December 21, 2001, that it requires the Energy Commission Preliminary Staff Assessment (PSA) to begin processing the application for local land use approvals (e.g., general plan amendment, rezone, and tentative map). The County would use the PSA as their California Environmental Quality Act (CEQA) document for their local land use decisions.

Staff intends to work in close coordination with County staff to facilitate and streamline the public review of the PSA in accordance with CEQA and Warren-Alquist Act requirements.

SCHEDULE

Staff expects to file its PSA on February 15, 2002 (which is consistent with the number of days allotted by the Committee's December 3, 2001 schedule).

Staff proposes to complete the FSA within seven weeks from the date the PSA is published if all critical information items discussed above have been received; otherwise the FSA will be completed within 30 days from receipt of all critical information items discussed above.

This schedule allows sufficient time for staff to conduct PSA workshops in coordination with the County, for staff to receive final determinations from local,

Arthur H. Rosenfeld, Commissioner and Committee Presiding Member
Michal C. Moore
January 18, 2002
Page 3

state, and federal agencies, and to receive critical information from the applicant. However, as stated above, delays in submissions by the applicant to staff or to the appropriate local, state, or federal agencies, could result in delays in determinations and documents by agencies. Without such information, it would be difficult for staff to prepare a conclusive and meaningful FSA.

cc: POS